GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:4124
ANSWERED ON:14.12.2001
URBAN COOPERATIVE BANKS
JAYABEN B. THAKKAR;KAMBALAPADU E. KRISHNAMURTHY

Will the Minister of FINANCE be pleased to state:

(a) whether the Reserve Bank of India has recommended to take measures to strengthen theregulatory framework for the urban cooperative banks by removing dual control, laying down clear-cut guidelines for their management structure and enforcing further prudential standing in respect of access to uncollateralized funds and their lending against volatile assets;

(b) if so, the steps taken by the Government to implement the above recommendations of RBI; and

(c) by when it is likely to be done?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL):

(a) to (c) Various experts` bodies including Task Force on Cooperatives headed by Shri Jagdish Capoor, Ex-Deputy Governor, RBI, The High Power Committee on Urban CooperativeBanks (Madhava Rao Committee) have made several recommendations relating to removal of duality of control and strengthening of co-operative banks. The recommendations are under examination.